

The Colonial Status of the South

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If it is true that the South is "the Nation's No. 1 economic problem," the fundamental historical explanation of that condition is to be found in the fact that for more than three centuries this region, in greater or less degree, has occupied the status of a colony.¹ Generally colonials produce raw materials which they exchange on unfavorable terms with citizens of the imperial power for manufactured goods. As a result they fall increasingly into debt to those with whom they trade. Meanwhile, the outside creditors often invest some, or all, of their balances in the colonial area. These investments in the old days were mostly in agricultural real estate, enterprises for trapping and fur trading, and companies for the exploitation of timber and mineral wealth. Outsiders also generally owned the means of transportation and collected the freight on incoming and outgoing traffic. In the past seventy-five years, outside investments, while continuing in some of the older forms, have gone into internal transportation and communication companies, urban real estate and mortgages thereon, financial organizations and—perhaps of greatest importance today—into manufacturing. To this general pattern the South has almost perfectly conformed. At the present time the productive property of this region is largely owned by persons living outside its bounds. The fact that the owners are citizens of the same sov-

¹ This paper was read as the presidential address before the Southern Historical Association in Atlanta, November 7, 1941. The author wishes it understood that while he recognizes the necessity for complete national unity now that the country is at war, he sees no reason to modify any part of the interpretation he has placed upon events preceding the outbreak of war.

foreign nation as are the people of the South, has, in some manner, obscured the fact of the region's colonial status.

The purposes underlying this interpretative essay are: first, to suggest that the colonial status of the South might have been ended permanently by the American Revolution if, after that event, it had become an independent sovereignty instead of uniting with the Northeast in the United States of America under the Constitution of 1787; second, that having failed to take advantage of the opportunity offered by the so-called "Critical Period," it thereafter became too late to remedy the situation either by internal compromises or by secession; and third, to suggest that at present finance capitalism and imperialism hold the region in so firm a grip that no escape from the colonial status appears possible short of some catastrophic collapse of the whole imperialistic system.

Even as early as 1600, the rising middle classes in Great Britain were aware that it was a good deal more profitable to engage in manufacturing, shipping, and buying and selling than it was in producing raw materials. This awareness explains why persons of the middle class should have concerned themselves with the establishment of an American colonial empire. In the colonies the "superfluous" populations of England and other western European countries could be put to work producing raw materials which were sold at a low price to merchants, transported for a good profit by shipowners, fabricated with considerable gain to manufacturers, and resold at home, abroad, and to the colonists at a dear price, again by the merchants. It would be unfair to imagine for a moment that the gentlemen adventurers who established the London Company to carry into practical effect these ideas were in any sense parasitical. As a matter of fact, without their initiative, enterprise, and willingness to take a gambler's chance, the colonization of America would have been long delayed. History records that these first adventurers actually lost most of the money they advanced. But in the long run English merchants as a class did gain not only from the Virginia colony but also from the four other plantations which by 1733 dotted the Atlantic coast from the Chesapeake Bay to the St. Mary's River.

Between 1607 and 1776, there elapsed 169 years—a period slightly longer than that since 1776. During these five or six generations, there evolved in the South some colonists who became owners of broad acres and many slaves. But these southern landowners who grew tobacco or rice for Old World markets, and in addition shipped abroad timber, naval stores, and a variety of other raw materials, were always aware that they were netting but little beyond a fair living from their investments and their entrepreneurial efforts. Year by year their debts increased until on the eve of the Revolution, Thomas Jefferson could say truthfully of himself and his neighbors that they were merely “a species of property, annexed to certain mercantile houses in London.” And later Oliver Wolcott could say: “It is a firmly established opinion of men well versed in the history of our revolution, that the Whiggism of Virginia was chiefly owing to the debts of the planters.” Over a century later, the historical researches of Arthur Meier Schlesinger and other scholars largely corroborated the truth of Jefferson’s and Wolcott’s statements.

One of the first sovereign acts of the new states was the confiscation of debts to British merchants and the expropriation of the property of British subjects, including that of native Tories. This exercise of the power to confiscate, be it noted, was one method employed by the colonial planters and merchants to escape from their colonialism. In New England and the Middle States the escape was permanent. Moreover, by gaining control of the commercial and financial policies of the new general government the merchants, manufacturers, shipowners, and money-lenders of those states were eventually able to replace the similar groups in England in the exploitation of producers of raw materials and agricultural products not only in their own area but also in the South. Therefore, since the Southerners were destined for at least another century to continue as almost entirely agricultural producers and as purchasers of fabricated articles, it can be argued that it would have been better for the region to have relied principally upon Old England instead of upon New England as a source of supply of manufactured goods. For a century at least, Old England could have sold the South

better goods for less money than New England was able to do. The terms of trade would have been unfavorable in either case, but it is more than probable that they would have been somewhat less so had the southern states remained economic dependencies of Great Britain.

From this it does not follow that the revolt of the South against England was not entirely justifiable on other grounds, for it was both reasonable and just for the members of the southern elite to desire for themselves honorable positions in social and political life. This understandable and natural ambition was an even more dynamic factor than debts in transforming such fundamental conservatives as the Habershams, the Pinckneys, the Johnsons, the Washingtons, and the Carrolls into revolutionists. Moreover, it was right, that, in consultation with their constituents, they should wish to formulate and direct their own domestic and foreign policies without regard to British Tory interests and opinions. Since a war was necessary for them to attain their objectives they were wise to ally themselves with their neighbors to the north and with France in order to assure the winning of that war.

But their northern neighbors and the French monarchy were actuated by a different set of motives from their own. With the latter, they entered into a military alliance which the French hoped and expected would eventuate in their becoming dependencies of France instead of England, when once the war was over. In this expectation the Gallic ally, as is well known, was disappointed. With the North, the South made a verbal compact, later formalized in the Articles of Confederation, which rendered mutual assistance possible without calling into question the sovereignty of the states. When commercial, financial, and speculative interests found this loose federation too weak to serve their purposes and began moving for a stronger central government, the Southerners should have been as wary of them as they had been of the British and French.

The foregoing statement brings up the delicate question of "historical relativity." "Historical relativity" places the historian dealing with the actions of men of a past epoch under obligation to do so not in the light of his own time but in that of the era with which he is concerning him-

self. Some thirty years ago, Charles A. Beard in his *An Economic Interpretation of the Constitution* and his subsequent *Economic Origins of Jeffersonian Democracy* proved to the satisfaction of most open-minded students that, in large measure, the Constitution was the handiwork of a revolutionary minority bent upon safeguarding and promoting the interests of commercial, manufacturing, and financial groups. Such groups were located almost entirely in the North, but they received the support and temporary alliance of southern plantation owners and speculators in western lands.

The keen political instinct of small farmers in general, and of the piedmont South in particular, warned them that the newly proposed Federal government would not be to their benefit. In North Carolina the small farmers were able to prevent ratification on the first test, while in Virginia they might have been successful in doing so had not some of their delegates, when subjected to pressure in the convention, apparently regarded their election promises as mere "campaign oratory." Even in South Carolina and Maryland their opposition was well known and articulate. In Georgia, where a temporarily exposed position made fear a predominant emotion, there seems to have been little opposition to the new and stronger union; but Georgia counted for but little at that time, and in the end would have followed the lead of her four more northerly neighbors had she received such a lead.

According to Beard, some of the plantation owners stood for alliance with other propertied groups because they were suspicious of the radical tendencies of their own Westerners. In the light of their own time and the experiences they had had with the British merchants, it seems reasonable to assume that they should have feared the western radicals less and the northern businessmen more, since these latter were little different from similar groups in England and Scotland. Indeed, some few southern leaders did just that. For instance, John Mason and Patrick Henry in Virginia, and Willie Jones and William Lenoir in North Carolina opposed ratification. But the influence of men like Washington and Madison outweighed these latter.² The influence of such men must

² With regard to Madison it is only fair to point out that, as revealed in his master-

have been out of all proportion to their numbers, and while it is to their credit that they were able to take a large view of the situation, it was not in the long run advantageous to themselves, their class, or their section that they did so. Doubtless, some of them hoped and expected that the South would become relatively as much a commercial, industrial, and financial section as the North.³

Were there good grounds for such hope? Had they been able to concentrate on just two facts, it seems that they should have answered this question in the negative. The first of these facts was the slave system, which by that time was firmly fixed on the South, despite the opinion of some historians who believe that only the evolution of cotton culture on a grand scale made the continuation of the slave system inevitable. Actually the Southerners were habituated to the institution and would have been loath to part with it even had they been convinced that it was financially unprofitable. This attitude can be accounted for partly by the fact that the question was more social than economic at almost all times, as the late Ulrich B. Phillips perhaps overemphasized. Since a good part of southern capital had to go into the ownership of labor, it could hardly have been expected that there would be much left over for commercial, manufacturing, and financial enterprises.

The second fact is that, other things being equal, men follow the line of least resistance. Even in the 1780's everyone knew that the South had an almost limitless hinterland adaptable to the slave-plantation system, and that such capital as might be accumulated would necessarily go into the exploitation of this hinterland. The historical accident that the land claims of wealthy Virginians were mostly north of the Ohio,

piece, "Federalist, Number 10," no other man of his time perceived so clearly the influence of economic interests upon political principles and actions. Apparently his own intellectual honesty led him to believe that the Constitution would always be interpreted *strictly* and that the United States government would remain *federal* in a sense opposite to *central* or *national*.

³ It is interesting to speculate on the position Jefferson would have taken on the Constitution had he been in the country in 1787-1788. It seems that consistency and his keen distrust of the "economic royalists" of his time would have demanded that he oppose it, had he been present. That he could have opened Madison's eyes (as he did later) to the danger latent in the Constitution is also probable. Together Jefferson and Madison, in all likelihood, could have prevented southern ratification.

rather than south of it, may have been determining, but of that no one can be sure.

By way of summary it may be said that indeed the decade of the 1780's was a "Critical Period." But for the South it was "critical" in a sense exactly opposite to that in which the phrase was employed by John Fiske a century later. Fiske as a philosophical representative of and spokesman for industrial and commercial interests saw that what did in fact take place very well *might not* have done so, and such an eventuality would have been "bad" for the system for which he was an intellectual spokesman. To the South the period was "critical" because what did happen was "bad," while the establishment of a separate southern confederacy at that time would have been "good."⁴

Had the Constitution of 1787-1789 not been ratified by the southern states it is almost a certainty that the eight states to the north of Maryland, and perhaps Maryland too, eventually would have provided themselves with a constitution substantially identical with *the* Constitution we know. Indeed, that very Constitution might well have gone into effect, for by its own terms it provided that it would become operative when ratified by nine states. Had Virginia steadfastly refused to ratify, it can readily be assumed that in a relatively short time she would have been joined by the two Carolinas and Georgia in establishing a southern confederacy. We may be sure that such a confederacy would have been aggressively expansionist and would have obtained Florida, Louisiana, Texas, and California in an even shorter time than they were actually secured by the United States. Be it remembered that it was the South which furnished the driving force for making these acquisitions when

⁴The terms "good" and "bad," "right" and "wrong," are employed throughout this paper in no moral sense. Whether such moral or ethical "goods" as the greater glory of God, democracy, human happiness as a whole, or even the "greatest good for the greatest number" were promoted or retarded by the Constitution no one can say with certainty. In general, historians, even including southern historians, have proceeded on the assumption that all these ethical "goods" were served by the Constitution. With this assumption it is not necessary to quarrel. Using the words as terms in social dynamics then, rather than in morality or ethics, it may be stated that the Constitution was "good" for the development of a system of capitalism in which control is concentrated in relatively few hands, and "bad" for a system of agricultural and other small tangible personal property interests in which control is widely dispersed.

the Northeast was holding back. The southern confederacy would have provided by advantageous trade treaties for the sale of its agricultural and other raw materials in whatever markets seemed most desirable. That cotton, tobacco, and rice would have gone to northern markets in payment for fabricated materials is certain, but such trade would have been on much more favorable terms than was actually the case. The bulk of southern commerce, however, would have been with Great Britain and the countries of northwest Europe, for the reason that for a long time, at least, these countries manufactured better and cheaper consumers' goods than did the North. Moreover, there would have been few if any tariff duties to pay on imports, with the result that the differential between prices paid and prices received would not have been nearly so great as it actually was. In short, a separate confederate government would have harmonized much better with the economic and social life of the region than did that of the United States. And, *pari passu*, it can with almost equal certainty be maintained that the government of the United States, with the South out of it, would have harmonized with greater precision with the life of the northern region. Finally, the relations between North and South would have been much more peaceful and mutually respectful had each been an independent sovereignty from the start. This can be said if for no other reason than that it is hard to conceive of such relations being *worse* than they actually were during the long years lying between the enunciation and adoption of Hamilton's financial policies in 1789-1791 and the withdrawal of Federal troops from Louisiana and South Carolina in 1877. In fact, it is reasonable to suppose that there would have been no greater ill feeling and squabbling between the two countries than actually existed between the United States and Canada. The Potomac-Ohio line formed a fairly natural boundary on this side of the Mississippi, while the western boundary probably could have been fixed as well by treaty as was that between Canada and the United States in 1846.⁵

⁵ In this connection it may be stated with some dogmatism that relations with Canada would not have been so pleasant had that dominion once been a part of the United States and afterwards have established its independence.

If we think of the adoption of the Constitution as a marriage between the two sections, we may consider the Revolution as a period of friendship formed for the duration of a common danger, while to the Confederation period we may assign the status of a formal engagement. Just as it is usually much less tragic to break an engagement than to dissolve a marriage, so likewise it would have been better for the South never to have entered into a union with the North than later to have sought a dissolution. Perhaps the same excuse may be made for her action as is sometimes made for a young bride—namely, that she was not aware of the seriousness of the step she was taking. Certainly if she had married in haste, there was ample leisure for repentance. And repentance began immediately.

With this remark we turn now to consider the second purpose of this paper, which is an examination of the question: Was a compromise of the interests of the two sections possible under the Constitution, and if not, was subsequent separation feasible? That the South was yoked in an unequal union became apparent with the adoption of the Hamiltonian financial schemes, aimed as they were at enriching and strengthening the commercial, industrial, and, above all, the financial interests which were concentrated in the larger cities of New England and the Middle States. It is true that Hamilton rationalized that these measures would be beneficial to small property and agricultural interests as well, but just here began that disingenuous sophistry which to this day has characterized spokesmen for business interests and which more straightforward and forthright persons have found so difficult to parry.⁶ Of almost equal importance in aggrandizing commercial and financial interests at the expense of agricultural interests in general and of the South in particular, was the pro-British foreign policy of the Federalists. Already the moneyed men of the northern cities were linking their destinies with those of similar groups in England, who, since the days of the Glorious Revolution, had largely controlled the financial and foreign policies of the motherland. With these policies the Federalists

⁶ Splendid examples of the two types of argument are Hamilton's memorandum in support of the constitutionality of the Bank of the United States and Jefferson's in opposition.

pursued one which recently we have called "parallel action." Name this reason or instinct, it was sound. Equally sound was the pro-French attitude of most Southerners, for the French Revolution had proclaimed undying hatred of monopoly of all sorts and everlasting devotion to "security, liberty, property, and resistance to oppression." And for "property" we may read "small, tangible, real and personal property"—that is, the sort to which the South was devoted. In other words, both sides seem to have recognized their friends and enemies when they saw them.

To the leadership of the Republicans now came Jefferson, seconded by Madison, Monroe, and lesser leaders. If we return for a moment to our engagement, marriage, and divorce figure, we may with propriety lay down the further elaboration of it by saying that if there is to be a divorce at all, it is better for it to come soon—preferably before there are any children (in this case, new states) to complicate matters. Jefferson had the choice of two policies. Either he could undertake to rally agrarian and small-property classes in the North to unite with his southern constituents to capture the central government and undo the Federalist policies, or he could disregard any potential allies in the North and endeavor to commit the South to separation. Indeed, Jefferson could and perhaps did regard these procedures not merely as alternatives but as sequential. That is to say, if the former should fail, he could fall back on the latter. There is no doubt that his personal preference was for the former, but that he was willing to resort to secession the Kentucky Resolutions of 1799 seem to attest. It is extremely doubtful, however, whether Jefferson would have led a southern secession movement had he and his party failed of victory in 1800. Hamilton's estimate of Jefferson—that he was a man bold in theory but timid in action—is probably correct. And this estimate of Jefferson is even more true of his closest associate and successor, Madison. The compromising character of the administrations of both men as well as that of the third member of the triumvirate, Monroe, is further proof that the Virginia hegemony was Girondin in character and not Jacobin, as some Federalist contemporaries professed to believe.

Not only did Jefferson and his successors fail to undo most of the special privileges that the Federalists had bestowed upon the business interests, but before Madison's second administration was over the protective tariff principle had been firmly established, and the Second Bank of the United States, much stronger and more monopolistic than the first, had been chartered. This weak leadership, after having made a great show of kicking special privilege out the parlor door, was responsible for allowing it to sneak back through the kitchen door. So far had this process gone that in 1824 the John Quincy Adams-Henry Clay coalition gained possession of the government in the name of National Republicanism! For this denouement, in addition to the timid character of the Virginia leadership, two other factors were responsible: (1) Most of the younger Federalists, despairing of rejuvenating their party after its unheroic conduct in the War of 1812, went over to the Republicans carrying with them their Federalist principles. (2) Many of Jefferson's northern lieutenants were beginning to embrace such principles in response to the improving economic and social status of themselves and some of their constituents. The two groups quickly fused and formed a veritable "fifth column" within the Republican body.⁷ From this point of vantage they were able to "bore from within" as the modern Communist phrase has it, and to play the ancient Roman game of *divide et impera*. For this game the abolitionists furnished bats, balls, and gloves, while good diamonds were found in the Louisiana Purchase and later in the Mexican Cession.

So much has been said about the antislavery movement—its origins, motives, and progress—that it would be supererogation to attempt here any original contribution to the discussion. For the purposes of this paper, however, it is necessary to make two or three observations on the subject. The antislavery movement sprang from two sources. In the first place, it was a handy and, in most cases, a relatively inexpensive method

⁷ That Jefferson himself was not unaware of what was going on is attested by a letter he wrote in 1822 to Albert Gallatin and another in 1824 to Martin Van Buren. In the former he said: "Do not believe a word of it [that the lion and the lamb are lying down together]. The same parties exist now as ever did." In the letter to Van Buren he wrote: "Tories are Tories still, by whatever name they be called."

for members of a conscientious nonslaveholding middle class to pay their debts to God. Long before 1800 Quakers and similar sects had begun so to employ it. It was none other than the very moral John Stuart Mill who first made the observation that morality is primarily a middle-class virtue. The poor, said Mill, *cannot* afford to be moral whereas the rich *can* afford *not* to be. Like every other aphorism of general significance this one has plenty of exceptions in its specific application. The general truth of Mill's statement, however, is reasonably apparent. Members of antislavery societies were drawn almost exclusively from groups who, economically, were small property owners and who, religiously, stemmed from seventeenth century English Puritanism—itself a middle-class movement.

In the second place, slavery collided head on with the eighteenth century dogma, so eloquently incorporated into our Declaration of Independence in the ringing phrases: "that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness." This egalitarianism was taken seriously everywhere by small property owners, but in the South it was applied in fact, even from the first, only to whites, and also in theory after the formulation and general acceptance of the proslavery argument. In the North, on the other hand, where the social problem of the Negro was either nonexistent or not acute, egalitarianism had no need to draw the color line. Indeed, the devotees of the dogma in that section came eventually to assert that the genuine article could be distinguished from the spurious by subjecting it to what we may call the color test. So far did this conceit go that even the author of the immortal Declaration himself came to be suspected and, by the extremists, openly accused, of blackhearted hypocrisy. Even before his death it was already apparent to the more discerning, including perhaps Jefferson himself, that a wedge in the shape of the slavery controversy was being driven between his followers in the North and those in the South. The point here is that while financial and industrial capitalists and their political henchmen did not forge the wedge, when

they saw it already entering the body of the Jeffersonians, they did not neglect to give it some mighty mauling. *Divide et impera*.

In cleaving the body of Jeffersonianism the financial and industrial groups did not intend to rive the body of the Union. So much "aid short of war" had they given to the abolitionists, however, that by 1860 the latter were able to drive the wedge home and split asunder not only the body of Jeffersonianism but also that of the Union itself. And so had ended in failure the effort begun by Jefferson and continued by other apostles of small property to create and maintain on a national scale a party which could and would hold in check the overgrown pretensions and overweening ambitions of the party of special privilege. That is to say, it had proved impossible to prevent industry and finance from becoming the mistresses instead of remaining, as the Jeffersonians desired, the handmaidens of agriculture and commerce.

During few if any of the first seventy years of the Federal Republic were the terms of trade between the South and the industrial and financial centers of the North in favor of the former. The colonialization of the South was proceeding slowly but surely. During the first fifty of these years it was mainly in the older sections of the South that the pinch was felt acutely. During these years, indeed, it was the existence of a vast southern hinterland into which the more hard-pressed citizens of the older South could escape that prevented such near-crises as the Nullification and Wilmot Proviso controversies from becoming real crises. In the last twenty years of the period the pinch tended to become widespread throughout the region. It was during this time that southern leaders came to adopt two policies as sequential: (1) further extension of the southern hinterland; and in case of the failure of this policy to fall back on (2) secession and an independent southern confederacy which they believed could prevent the bankruptcy which stared many of their constituents in the face. Add to this the obloquy and contumely in which Southerners were held by many of the "best" people of the North, and there remains no wonder that the stroke for southern independence was finally made.⁸

⁸ It should be pointed out in this connection that the source of inspiration for the rising

It was the British historian and publicist Lord Acton who once undertook to compress the nature of the American Civil War into an aphorism. "Secession," ran the noble saw, "was an aristocratic rebellion against a democratic government." Except for the fact that a relatively few large plantation owners gave tone to and, in some degree, controlled social and political life in the South, and hence lent color to the aristocratic picture, the almost exact opposite of the Acton dictum is the truth. There is no need to labor this point, but it is pertinent to stress the fact that democracy, as a social and political system, arose with and flourished upon that sort of capitalism where private property was widely distributed, individually owned, and personally managed.⁹ This was the character of the southern economic system previous to 1860. Even the so-called "poor whites" were seldom tenants. Manufactories, commercial enterprises, and financial institutions conformed to the pattern as well as did farms and plantations. Absentee ownership in any of these sorts of business was the exception rather than the rule. But as has been already emphasized, the South, even when its influence in Washington was considerable, was never able to control the terms of its domestic and foreign trade nor the money system in which trade was carried on. Consequently a new colonialism was taking place. But unity in the South, although greater in 1860 than ever before, was still far from complete. This lack of unity was the most important single factor contributing to the ultimate defeat of the South.

northern literati (especially those of New England) came to be the antislavery crusade. In addition to the preachers whose service of God was more and more equated with opposition to slavery, the theme song of the orators, poets, essayists, and novelists was subsequently expressed by Mrs. Howe in the lines:

In the beauty of the lilies
Christ was born across the sea,
With a glory in his bosom that transfigures you and me;
As he died to make men holy, let us die to make men free,
While God is marching on.

Under such circumstances a "holy" war was inevitable. Sooner or later moderate men would be in a hopeless minority and be castigated as Copperheads—the "Appeasers" of that day. The comparison *is not* mine.

⁹ Conversely, democracy as a way of social and political life may well be doomed when ownership and management is highly concentrated in the impersonal corporate form.

There is a tide in the affairs of men,
Which, taken at the flood, leads on to fortune;
Omitted, all the voyage of their life
Is bound in shallows and in miseries.

The flood tide of 1787 was omitted: and the voyage which before the Civil War was "bound in shallows and in miseries," has since that event continued to be so bound.

For a decade or more after the Civil War the North undertook to rule the "conquered provinces" of the South by means of northern adventurers and southern "loyalists" whose political power rested upon universal Negro suffrage. Such rule needed to be buttressed constantly by Federal military force, for the "political potential" of Carpetbaggers, Scalawags, and Negroes was not equal to that of the former Confederates even in their pitifully weakened postwar condition. Such immaturity, brutally direct, and crassly inept imperialism, however camouflaged by such propaganda terms as "equality," "democracy," and "loyalty," sooner or later was bound to antagonize a sufficient number of nonimperialist elements in the North as to spell its doom. And so it happened in 1877. The significance of the great compromise of that year turned out to be this: No longer would the northern imperialists undertake to rule the South by their own henchmen; on their part, the native southern elite would guarantee the protection of northern imperialist interests in the region.

This more mature policy worked exceedingly well. During the following half century, ownership of transportation, communication, financial, manufacturing, mining, and finally distributing corporations came to be largely held in the great cities of the Northeast, especially New York. Northern corporations and individuals owned most of the certificates of public indebtedness issued by the states, counties, and municipalities of the South. Likewise mortgages on southern agricultural and urban property were largely held in the North. The profits on the insurance business done in the South were channeled off to New England and New York. While the total number of businessmen in the South was ever increasing, the proportion who were independent own-

ers of small businesses was constantly decreasing. In short, southern businessmen were becoming mere agents and factors for northern principals. In the last quarter century the process has been accelerated. The World War, the era of "Coolidge Prosperity," the depression of the 1930's—each in its own way was a contributory factor. Today the subordination of all ordinary production to "defense" production, concentrated as it is in a few score great corporations, threatens the final ruin of such small businesses as still remain.

With the major part of income derived from profits, dividends, interest, and rent being siphoned out of the region to dwellers in the metropolises of the Northeast, the southern people were left to live mainly on wages, salaries, commissions, and other forms of income of similar nature. From studies made by Clarence Heer and others we know that these types of income were low in the South, relative to similar sorts of income outside this region. Necessarily this was so, not only because of the drain occasioned by payment of "invisible" items, but also because the South continued to be primarily a producer of raw materials and the coarser types of manufactured goods. This meant that the prices for which agricultural commodities were sold were much lower than prices paid for fabricated articles. In short, the southern people were obliged to work relatively more and more for less and less.

By the mid-1920's the second cycle of southern colonialism had made full revolution. The articulate political people of the South were the businessmen. To them the press and professions were largely subservient. In maintaining their ascendancy they were greatly aided by all sorts of national associations of businessmen, such as chambers of commerce, so-called service clubs, and the like. The policies promulgated by such organizations emanated largely, if not entirely, from the great centers of finance capitalism and imperialism. The burden of their propaganda was that the interests of all businessmen were parallel to, if not identical with, those of the financiers. On a national scale the magazines, the movies, and finally the radio carried the propaganda of the vested interests into almost every nook and cranny of the land. In the Northeast and especially in the West there was considerable organized

opposition to the avalanche, but in the South there was almost none. Hence we are confronted with a paradox more amazing and ironical than any ever conjured by the imagination of Gilbert and Sullivan. The people of the South, who all their lives had suffered deprivation, want, and humiliation from an outside finance imperialism, followed with hardly a murmur of protest leaders who, if indirectly, were nonetheless in effect agents and attorneys of the imperialists. Even our "Good Neighbors" and "Sister Democracies" to the south of us have never taken their medicine in so prone a position. Here from Virginia to Texas, the Glasses and the Garners strove to "out-Mellon" Mellon. Never before in the history of this country had a single group so fully dominated public policy as did the finance capitalists during the "Golden Twenties." And nowhere was their dominance more complete than in their southern "colony."

That their direct rule was at least temporarily halted in the 1930's was not due to the activities of a well-organized opposition, but to the confusion into which the financiers were thrown by the utter failure of their own most cherished principles to work satisfactorily even for themselves. As a result, the election of 1932 brought into control of the Federal government a more strangely assorted group of men than Washington had seen since its establishment as the nation's capital. Under the spreading New Deal tent were gathered, from left to right, Communists, State Socialists, other varieties of Marxists, delegates from the camps of both radical and conservative labor, old-fashioned Democrats speaking for agriculture and small business, many kinds of reformers, representatives of the political "rings" of the great northern cities, and even a few "money-changers" whom Mr. Roosevelt had pledged himself to "scourge from the temple"—into the treasury, as it eventually turned out. To these multicolored groups the southern Democrats were added by the exigencies of party politics.

Obviously among men of so many "principles" the only one which in the long run could serve as a cohesive force was the "principle" of continuity in office. For nearly five years political power was maintained by promoting the three R's of Recovery, Relief, and Reform with that

age-old mechanism of governments for escaping from domestic difficulties—a vigorous foreign policy, lurking more or less consciously in the minds of some New Dealers in case the three R's should fail them. Toward the recovery and relief measures, practical politics, and doubtless in many instances personal conviction, demanded that the southern politicians assume a friendly attitude. On the other hand, many of them either openly opposed or secretly undertook to sabotage the reform bills.

This concluding excursus into contemporary history, however, is taken not to discuss New Deal domestic policy in relation to the South but in order to raise the question whether it has effected any fundamental change in the colonial status of the South by indicating the attitude of southern politicians toward the recent imperialist foreign policy of the New Deal.

When the "recession" of 1937 and the failure of the Court "packing" bill in the same year made it apparent to the "inner circle" of New Dealers that their days of rule were numbered if they continued to confine their attention to domestic issues, they began to seek new means of attracting support. In this quest, events, and more important, *the popularly accepted interpretation of events*, played into their hands. By 1937 the regime of the Nazis in Germany, generally detested in this country from its beginning, had become so aggressive as to be a matter of grave concern to several social and economic groups in America. Among these were the national and international finance capitalists and imperialists; the Anglophiles who included in their number most of the "best" people; except for some of the Irish, Italians, and "Aryan" Germans, immigrants and their offspring who still had a strong emotional and cultural tie with their European kinsmen; most "liberal" journalists, publicists, and social scientists; moralists, who could see "sin" written all over the countenances of the leading Nazis; and except during the period of the Hitler-Stalin pact, Communists and their numerous "fellow-travelers."

The signal that the foreign policies of American Continentalism and Pan-Americanism, to which the New Deal administration had previously adhered, were to be superseded by a policy of death to Japanese and German dictatorships, to be made effective ultimately by means of

an Anglo-American alliance, was sounded by the President's Chicago "quarantine" speech in October, 1937. By what devious roads the New Deal band wagon traveled from Chautauqua to Chicago to London and finally to Moscow need not detain us. It is important to note, however, that at various points along that road all those groups just enumerated—many of them formerly wayside scoffers—climbed aboard. It is also significant that they took with them most of the powerful propaganda agencies sorely needed to convert the American people to the view that national defense, with which no one could quarrel, was identical with intervention. Some of the groups were content to let the New Deal do the driving, but the imperialists and the Communists each hoped and expected to sit in the driver's seat before the journey's end.¹⁰

Of chief interest to us, however, is the fact that it was our own region which furnished the greatest amount of the political power necessary for the achievement of the revolution in New Deal foreign policy. This is clearly revealed by the vote in Congress on the crucial first Lease-Lend bill passed in the spring of 1941. For purposes of analysis, the country may be divided roughly into three sections: (1) The Northeast, consisting of the six New England states and the five Middle Atlantic states; (2) the South, consisting of the eleven ex-Confederate states, West Virginia, Kentucky, and Oklahoma; and (3) the West, consisting of the other twenty-three states. The vote on the bill by houses and sections follows.

<i>Section</i>	SENATE		<i>Absent or Not Voting</i>
	<i>For</i>	<i>Against</i>	
Northeast	16	6	0
South	25	1	2
West	20	25	1
TOTALS	61	32	3
HOUSE			
Northeast	81	46	2
South	119	5	1
West	61	119	1
TOTALS	261	170	4

¹⁰ That there will be a fierce struggle for control between the New Deal and imperialist interventionists at or near the end of the war may be predicted with a high degree of certainty. It will be interesting to see which side will secure the support of southern politicians.

Had the Southerners voted on the bill in the same proportion as the Westerners, it would have barely passed in the Senate and would have been defeated in the House by a substantial majority. Likewise, most other interventionist bills have become laws because of overwhelming southern support. Why this southern belligerency? This question raises many others, which are not answerable at this time, but at least two may be presented now for future consideration. They are: (1) Is it not conceivable that the huge southern majority for Lend-Lease and other interventionist measures indicates that the finance capitalists and imperialists who receive so much of the South's social income exercise an even greater political power in their "colony" than they do in their own bailiwicks? (2) Does it not appear from even a casual acquaintance with the propaganda of the American imperialists that they believe they must survive or perish with their confreres who direct the destinies of the British Empire? Lack of perspective and adequate information as well as a decent regard for the proprieties and the claims of patriotism demand that answers to these two questions be postponed until a time more calm and propitious to the researches of the objective historian.

Meanwhile, it may not be out of order to remember that it was long ago said, "whom the gods would destroy they first make mad." We do not know with whom the military victory will ultimately rest or who will be in the driver's seat when it is won, lost, or drawn. But it has been suggested, and not without some reason, too, that no matter what the outcome, finance capitalism and imperialism is doomed. If this prove true, then the objective historian in that more propitious time may well record with Socratic irony that those Southerners who sought to serve an opposite purpose, did in fact all unwittingly unloose the chains which bound the South to an ancient and enervating colonialism.